

1 STEVEN PARK (State Bar No. 215219)

2 spark@kslaw.com

3 KING & SPALDING LLP

333 S. Grand Avenue, Suite 4200

Los Angeles, CA 90071

Telephone: (213) 443-4355

Facsimile: (213) 443-4310

see signature page for complete list of counsel.

Attorneys for Defendant

STATE FARM MUTUAL

AUTOMOBILE INSURANCE COMPANY

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

NETWORK SIGNATURES, INC.,
a California corporation,

Plaintiff,

v.

STATE FARM MUTUAL
AUTOMOBILE INSURANCE
COMPANY,

Defendant.

Case No.: SACV 11-00982-JVS (RNBx)

**JUDGMENT PURSUANT TO RULE
54(b)**

Judge: Honorable James V. Selna

Date Action Filed: June 30, 2011

1 STATE FARM MUTUAL
2 AUTOMOBILE INSURANCE
3 COMPANY,

4 Counter-Claimant,

5 v.

6 NETWORK SIGNATURES, INC., a
7 California corporation,

8 Counter-Defendant.

9 This Court enters final judgment pursuant to Federal Rules of Civil Procedure
10 54(b) in this action.

11 IT IS HEREBY ORDERED:

12 1. On Plaintiff Network Signatures, Inc.'s ("Network Signatures") First Claim
13 For Relief for direct, contributory and inducing infringement of U.S. Patent No.
14 5,511,122, judgment is entered in favor of Defendant State Farm Mutual Automobile
15 Insurance Company ("State Farm") as ordered in this Court's June 13, 2012, Order
16 [Docket No. 51]; Plaintiff Network Signatures' Prayer for Relief is denied in its entirety;

17 2. On Counter-Plaintiff State Farm's First Counterclaim for declaratory
18 judgment of non-infringement, the counterclaim is moot and dismissed without prejudice
19 as a result of the determination of unenforceability, so as to be preserved in the event the
20 determination of unenforceability in favor of State Farm is reversed, vacated, or
21 otherwise altered (*See Liquid Dynamics Corp. v. Vaughn Co., Inc.*, 355 F.3d 1361, 1370-
22 71 (Fed. Cir. 2004));

23 3. On Counter-Plaintiff State Farm's Second Counterclaim for declaratory
24 judgment of invalidity, the counterclaim is moot and dismissed without prejudice as a
25 result of the determination of unenforceability, so as to be preserved in the event the
26 determination of unenforceability in favor of State Farm is reversed, vacated, or
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1 otherwise altered (See *Liquid Dynamics Corp. v. Vaughn Co., Inc.*, 355 F.3d 1361, 1370-
2 71 (Fed. Cir. 2004));

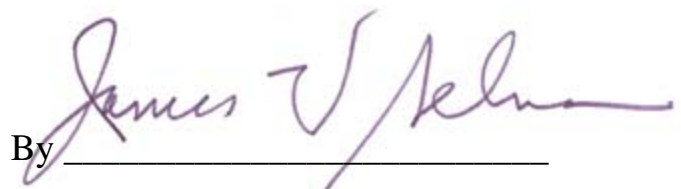
3 4. On Counter-Plaintiff State Farm's Third Counterclaim and Seventh Defense
4 for declaratory judgment of unenforceability, judgment of unenforceability is entered in
5 favor of State Farm in view of this Court's Order GRANTING Defendant's Motion for
6 Summary Judgment of June 13, 2012 [Docket No. 51], such that U.S. Patent No.
7 5,511,122 is declared unenforceable;

8 5. On Counter-Plaintiff State Farm's Fourth Counterclaim for declaratory
9 judgment of exceptional case on the basis of inequitable conduct in the procurement of
10 the asserted patent right (see this Court's Order DENYING Network Signatures' Motion
11 to Dismiss Fourth Counterclaim [Docket No. 27]), the Court reserves judgment on this
12 counterclaim pending State Farm moving for a declaration of exceptional case under 35
13 U.S.C. § 285 and attorney fees under Rule of Civil Procedure 54(d); and

14 6. Pursuant to Federal Rule of Civil Procedure 54, this ORDER constitutes
15 final judgment in this action. This Court retains jurisdiction to rule upon any motion for
16 reconsideration by Network Signatures or motion by State Farm seeking declaration of
17 exceptional case and/or award of attorneys fees.

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19 IT IS SO ORDERED

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21 Dated: June 29, 2012

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By 
Honorable James V. Selna